

Gross Production Reporting System

Agenda

New System Overview

New Forms

- Registration (Form 340)
- Reporting (Form 341)

GPRS to OkTap

- Account Visibility
- Registration
- Bonding
- Reporting
- Billing and Compliance













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Forms



Registration Form Changes

Form 340 will replace the existing 320A/320C

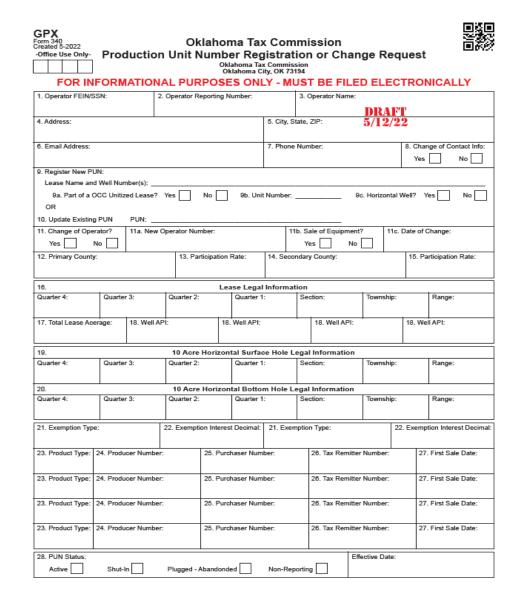
- New form provides all the functionality of the previous ones
- · Fields removed: Formation, Spacing, and Density
- API for all wells required

Central form to handle non-unitized PUNs

- Register new wells: If new well is going to eventually report under a unit this form is still used to establish the initial PUN for reporting at the 5% tax rate
- <u>Update existing wells</u>: Data pre-populates so you know what values you are changing. All changes communicated to operators and purchasers associated to the lease
- i.e. operator change both former and new operator are notified that the change has been made

Form 320U will still be in use

Establishing a new unitized lease from existing PUNs



Production Form Changes

Form 341 will replace the existing 300/323

- Central form to handle all GPX, OERB, and SOER remittances
- Easier to prepare/process and with new fields/inputs:
 - Tax remittance for all products on a single form
 - OERB/SOER fees calculated
 - Non-taxable royalty interest
 - · Marketing cost deduction
 - Frac oil exclusion volume and value
 - Reclaimer deduct, exempted volume, and exempted value

Form 323-A will still be required

- Taxpayer must still retain a copy of this form on file
- Uploaded as an attachment with monthly remittance

Form 300C will no longer be required

Tax remittance can be directed to specific GP periods/reports by the taxpayer i.e. when making a payment they can identify if it is for a specific billing item, reporting period, etc.



1. Tax Remitter FEIN/SSN:

Oklahoma Tax Commission Gross Production Monthly Tax Report



Oklahoma Tax Commissio Oklahoma City, OK 73194

2. Tax Remitter Reporting Number:

FOR INFORMATIONAL PURPOSES ONLY - MUST BE FILED ELECTRONICALLY

3. Tax Remitter Name:

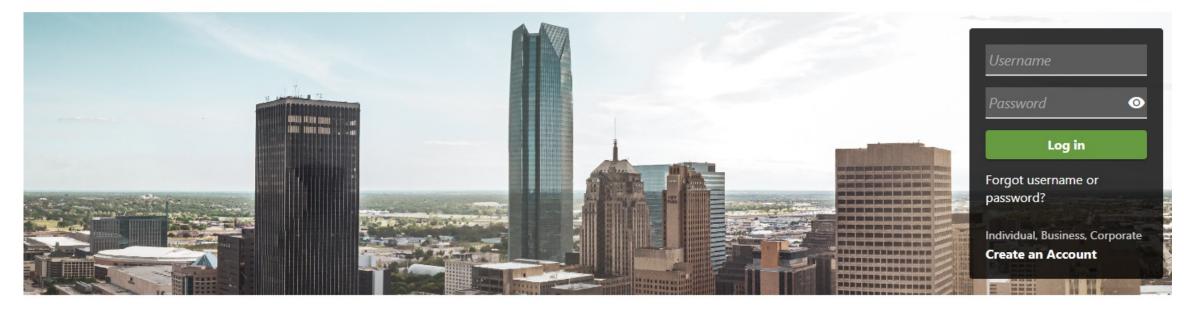
| 4. Type of Filing: 5. Production Unit Number: Original Amended Home Use | | | | | | | | | | |
|---|--------------|-----------------|--------------------------------|------------|--------------------------------|-----------------------------|------------------|-------------------------------|-----------------------------------|-------------------------------|
| 6. Product Code: | rs Reporting | Number: | 8. Purchaser Reporting Number: | | | ımber: | | 9. Production Month/Year: | | |
| 10. Gross Volume: | | | 11. Gross Value: | | | 12. Non-Tax | | | xable Royalty Interest: | |
| 13. Marketing Cost Deduction: | | | 14. Frac Oil Exclusion Volume: | | | | | 15. Frac Oil Exclusion Value: | | |
| 16. Reclaimed County: | | | 17. Reclaimer Deduct: | | | 18. Reclaimer Exempted Volu | | | me: | 19. Reclaimer Exempted Value: |
| 20. Total Exempt Volume: 21. Total E | | | cempt Value: 22. Tax | | | rable | able Volume: | | 23. Taxable Value: | |
| 24. Tax Rate: 25. Gros | s Production | n Tax Due: | 26. Petro | leum Excis | e Tax Du | e: | 27. OERB | Fee: | | 28. SOER Fee: |
| 4. Type of Filing: | | | | | | | | | | |
| Original Amended Home Use | | | | | | | | | | |
| 6. Product Code: | rs Reporting | g Number: 8. Pu | | | Purchaser Reporting Number: | | | 9. Production Month/Year: | | |
| 10. Gross Volume: | | | 11. Gross Value: | | | 12 | | 12. Non-Ta | 12. Non-Taxable Royalty Interest: | |
| 13. Marketing Cost Deduction: | | | 14. Frac Oil Exclusion Volume | | | ne: 15. Frac Oi | | ll Exclusion Value: | | |
| 16. Reclaimed County: | | | 17. Reclaime | | 18. Reclaimer Exempted Volume: | | me: | 19. Reclaimer Exempted Value: | | |
| 20. Total Exempt Volume: 21. Total Ex | | | empt Value: | | 22. Taxable Volume: | | | 23. Ta | axable Value: | |
| 24. Tax Rate: 25. Gross Production Tax Due: | | | 26. Petroleum Excise Tax Due: | | | e: | e: 27. OERB Fee: | | | 28. SOER Fee: |

| 29. Total Gross Production Tax Due: | 30. Total Petroleum Excise Tax Due: | 31. Total OERB Fee Due: | 32. Total SOER Fee Due: |
|-------------------------------------|-------------------------------------|-------------------------|-------------------------|
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OKTAY2





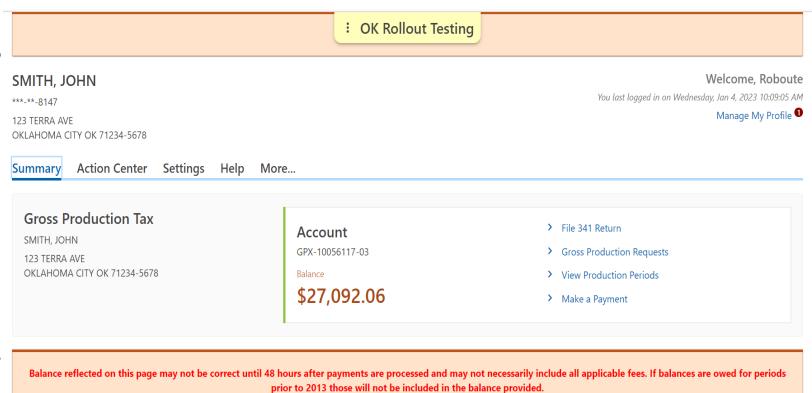
Q Search our online services



Account Visibility

Centralized Information

- Everyone required to have an OKTap account.
- Ability to see current balances & make directed payments
- Ability to see any filings that are still outstanding
- Automatic notifications of changes to account
- Ability to see letters sent by the OTC
- Ability to search past submissions submitted through new system
- Ability to update names and address
- Ability to register/change a PUN

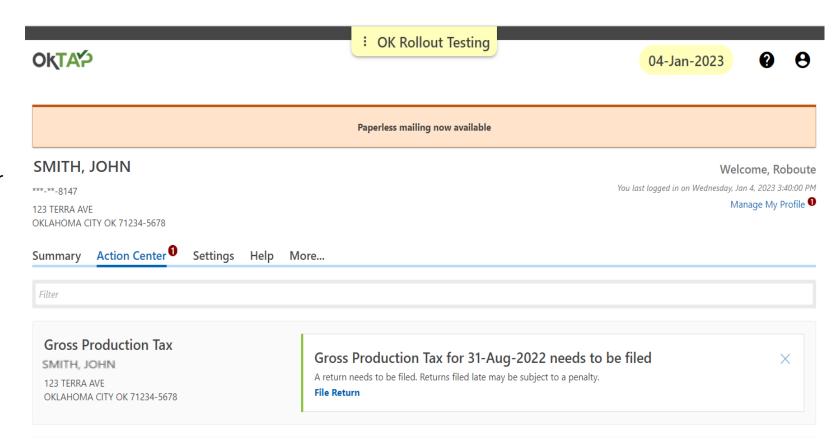




Account Visibility Continued

Visualization and reminders for upcoming due dates

- Notification of periods that need to be filed
- Notification of successfully filing for a period
- Notification of successfully submitting payments
- Notification of periods that need attention
- Notification of license expiration, current and upcoming

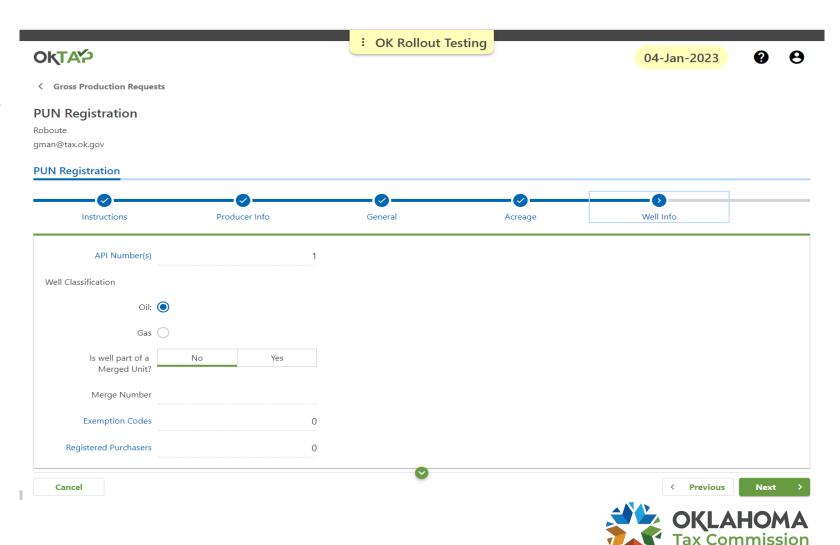




Registration

Whole process will be housed within OKTap

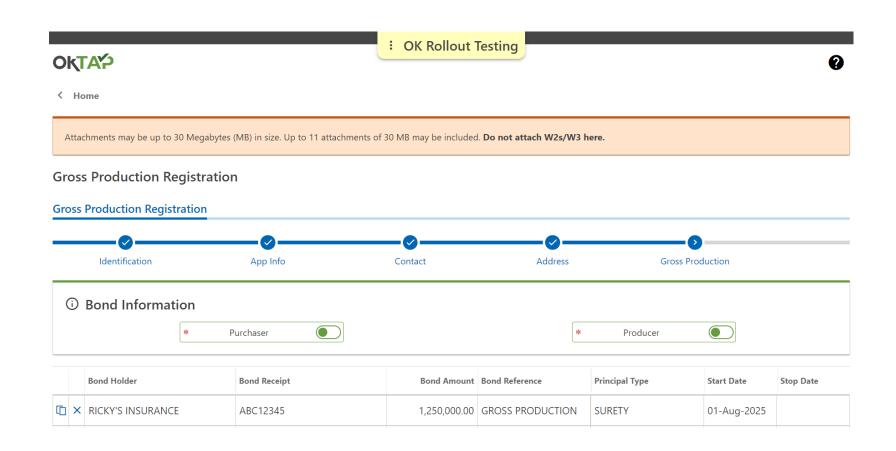
- All forms/processes will be available electronically
- Standardized to match the rest of the OTC
- Improved tracking and streamlined processing
- Communication of what stage the registration process is in
- Single web location for all Gross Production request
- Improved Production History Request



Bonding

Transparency in the Bonding Process

- Update bonds through OKTap.
- Annual review of bonding requirements.
- Notification if bond amount is insufficient.
- Defined process for bond adjustment requests
- Ability to see all current active bonds





Reporting

Auto calculate tax and fees for Form 341

Non-taxable interest loaded from registered exemptions Record 1

PUN Reported

Record 1

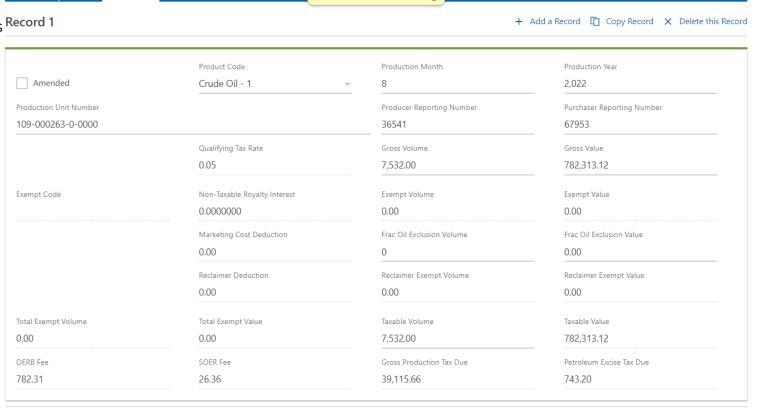
- Tax rate determined from lease registration information
- OERB and SOER Fees auto calculated

Continuity with Oklahoma Interactive (OI)

- Standardized with all other OkTAP payments
- Retains current remittance methods (ACH Debit/Credit)

New upload format/template for Form 341

- Upload layout/testing distributed prior to Go Live 11/11/22
- Forms will be published on the website for reference
- Electronic filing is required



: OK Rollout Testing

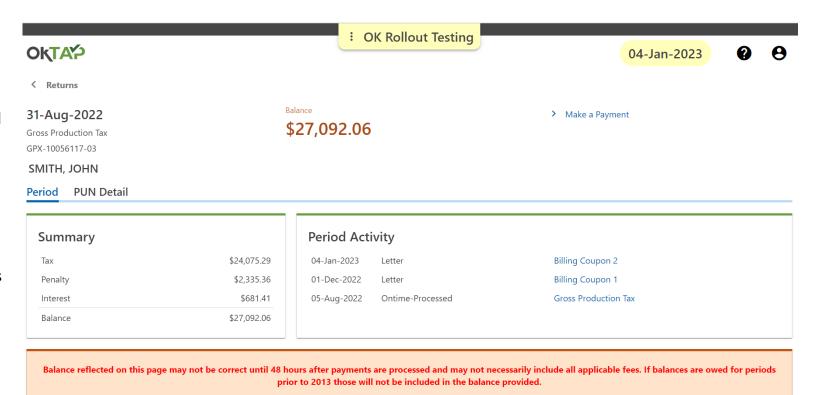


+ Add a Record Copy Record X Delete this Record

Billing and Compliance

Once a liability is established...

- The first billing letter will be sent to the taxpayer after 38 days from the date the liability posts to the taxpayers account and is not paid.
- The second billing letter will be sent to the taxpayer after 68 days from the date of the first billing letter if the liability is still unpaid.
- The account will be subject to tax warrants 90 days after the second and final bill was issued.
- The account will be subject to outside collection agencies 98 days after the second and final bill was issued.







QUESTIONS?

